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Agenda item 57: Groups of countries in special situations (A/62/488)

(a) Third United Nations Conference on the Least Developed Countries (A/62/79-E/2007/63, A/62/79/Corr.1-E/2007/63/Corr.1, A/62/322 and A/62/216)

(b) Specific actions related to the particular needs and problems of landlocked developing countries: outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation (A/62/226, A/62/256, A/62/256/Corr.1, A/C.2/62/4 and A/C.2/62/5)

1. **Mr. Diarra** (Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States), introducing the report of the Secretary-General on the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/62/79-E/2007/63), drew particular attention to problems which the least developed countries, especially those in Africa, faced with respect to health, malnutrition and hunger. He emphasized that a genuine partnership between least developed countries and donors was crucial to the success of the Brussels Programme of Action.

2. Introducing the report of the Secretary-General on the advocacy strategy on the effective and timely implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/62/322), he said that the challenges facing the least developed countries were daunting but not insurmountable. Increased and timely support by the international community was vital to overcoming them. His Office would therefore give priority to mobilization of international support and resources for least developed countries, advocacy to encourage development partners to take concrete measures in favour of least developed countries, and the full mobilization and coordination of the United Nations system in support of those countries.

3. He was also pleased to introduce the report of the Secretary-General on the status of preparations for the midterm review of the implementation of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries (A/62/226). In that connection, he drew attention to the report of the Thematic Meeting on Transit Transport Infrastructure Development held in Burkina Faso in June 2007 (A/62/256).

4. The Thematic Meeting on Trade and Trade Facilitation held in Mongolia in August 2007 had, inter alia, identified numerous bottlenecks affecting trade facilitation in the target countries; underscored the urgent need for landlocked developing and transit countries to implement trade facilitation measures already enacted; called for customs reforms at the national and regional levels; and proposed objectives that landlocked developing and transit countries should pursue in the trade facilitation negotiations at the World Trade Organization (WTO).

5. His Office had intensified its advocacy work in anticipation of the midterm review of the implementation of the Almaty Programme of Action. An e-discussion launched in cooperation with the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP) to address the special needs of landlocked developing countries and negotiation issues in WTO should lead to concrete negotiation strategies for securing benefits from multilateral and regional trade negotiations and would provide an opportunity for those countries to exchange experience among themselves and with developed countries. He invited the Committee to join the discussion. His Office was also working with the regional commissions on regional reviews.

6. The midterm review of the implementation of the Almaty Programme of Action, which should be conducted at the highest level, would provide the opportunity further to galvanize global partnerships on behalf of one of the three most vulnerable groups of countries.

7. **Ms. Tariq Aziz** (Pakistan), speaking on behalf of the Group of 77 and China, said that it was a source of serious concern that progress in the implementation of the Brussels Programme of Action had again been insufficient and uneven. The full and timely implementation of the seven commitments in the Programme of Action was essential if those countries

were to achieve internationally agreed development goals, including the Millennium Development Goals.

8. The international community should address the challenges identified by the least developed countries in the Cotonou Strategy for the Further Implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010. It was also critical for development partners to support the transition strategies of countries graduating from the list of least developed countries in order to avoid any abrupt disruption of their development processes. The Group of 77 and China urged the international community to pave the way for the convening of a fourth United Nations conference on the least developed countries. Coordinated action by the United Nations and its agencies, funds and programmes would facilitate that effort.

9. Assistance to landlocked developing countries had remained inadequate and the Group of 77 and China hoped that the midterm review of the implementation of the Almaty Programme of Action would yield positive results on their behalf. Donor countries and multilateral and regional financial and development institutions should provide landlocked and transit developing countries with technical and financial assistance, particularly for transport, storage and communications infrastructure and other transit-related facilities. Multilateral institutions must also do more to encourage public and private sector investment in transit transport infrastructure, for example, by offering investment guarantees. International financial and development institutions should also make voluntary contributions to the trust fund established by the Secretary-General to support activities related to the follow-up to the implementation of the Almaty Programme of Action.

10. The Group of 77 and China urged the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States to complete work as soon as possible on an acceptable set of indicators and benchmarks with which to monitor the implementation of the Almaty Programme of Action. The implementation of the Programme of Action should be considered in the context of all internationally agreed development goals, not solely the Millennium Development Goals.

11. **Mr. Silvestre** (Portugal), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Georgia, Moldova and Ukraine, reaffirmed their commitment to the implementation of both the Almaty Programme of Action and the Brussels Programme of Action. The 2006 midterm comprehensive global review of the implementation of the Brussels Programme of Action had concluded that there had been some progress. Some countries had almost reached the 7 per cent target for economic growth and those growth trends were continuing, with just a few countries lagging behind. Despite the high rate of population growth, especially in Africa, some of the social indicators had improved. There were still areas of concern, however, including the negative impacts of environmental degradation and climate change. Appropriate development cooperation should be revisited with a view to enhancing the adaptation capacity of the least developed countries to climate change.

12. In relation to commitment 5, enhancing the role of trade in development, the European Union had recently approved a European strategy on aid for trade that would assist developing countries, including the least developed ones, to integrate better into the rules-based world trading system and to use trade more effectively for poverty eradication. That strategy would ensure the quality of Aid for Trade and the continuity of pledges. The European Union was striving to increase its collective expenditure on trade-related assistance to €2 billion a year from 2010, which would complement other European Union initiatives to promote trade as a tool for economic growth, sustainable development and poverty reduction. For example, the Everything but Arms initiative provided duty-free and quota-free market access to all exports from the least developed countries.

13. The Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries was an extremely useful instrument and the high-level donor pledging conference organized by the Government of Sweden in September 2007 to mobilize financial support for the Enhanced Integrated Framework had resulted in pledges amounting to

around 75 per cent of the total target of $250 million for the period 2007-2011.

14. In relation to commitment 7, mobilizing financial resources, the European Union continued to be the world's major source of development assistance and in 2006 had provided €46.9 billion, or over half of total ODA to developing countries. In terms of ODA performance and the Monterrey targets set in 2002, European Union member States had exceeded the collective target of 0.39 per cent of GNI, reaching 0.42 per cent in 2006. From 0.15 per cent to 0.20 per cent of GNI should be allocated to ODA for the least developed countries.

15. Further efforts in relation to implementation of the Paris Declaration on Aid Effectiveness included the recently approved European Union Code of Conduct for Development Cooperation that should contribute to reducing transaction costs and ensuring better complementarity among donors and better synchronization of programming calendars and the planning and budget cycles of partner countries.

16. In addition to numerous bilateral debt relief initiatives, European Union member States had been involved in the launching of both the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI). Important progress was being made in increasing debt relief to the poorest countries through the implementation of the MDRI by the African Development Fund, the Inter-American Development Bank, the International Development Association and the International Monetary Fund. All those efforts were designed to free national resources for other development-related purposes.

17. Some European Union member States had made a consistent effort to identify innovative sources of funding for development and voluntary initiatives included the International Drug Purchase Facility, the International Finance Facility for Immunization and the advanced market commitment initiative. Further consideration should be given to financing mechanisms for environmental activities, particularly those relating to climate change in developing countries.

18. As agreed in the Monterrey Consensus, and reaffirmed in the 2005 World Summit Outcome, every country must take primary responsibility for its own development and the role of good governance, sound policies and national development strategies could not be overemphasized. Such strategies should be oriented to achieving the Millennium Development Goals.

19. A smooth transition should be ensured to allow countries graduating from the list of least developed countries to prepare for full integration into the global economy and to avoid disruption of their development plans and programmes. The European Union was ready to work on measures to help those countries to adjust to their change of status and in that context he congratulated Samoa on its graduation. The improved situation in many least developed countries and the graduation of Cape Verde, Maldives and Samoa strengthened the credibility of the list and increased the determination to fight poverty.

20. Despite the progress achieved in implementation of the Brussels Programme of Action and achievement of the Millennium Development Goals, there was still much more to accomplish in order to help the least developed countries to overcome poverty. The advocacy strategy on the effective and timely implementation of the Brussels Programme of Action (A/62/322) was extremely important and the European Union was willing to be an active stakeholder in that process. The Istanbul Declaration on the Least Developed Countries: Time for Action was another valuable instrument in the context of sharing experiences and good practices, and comparing situations and assessing difficulties during the implementation of commitments under the Brussels Programme of Action.

21. The specific vulnerabilities of landlocked and transit developing countries went well beyond the lack of territorial access to the sea and geographical isolation. Inadequate infrastructure, inefficient administrative mechanisms, insufficient FDI, time-consuming customs procedures and a lack of public sector control and trade competitiveness were just a few of the constraints that had adverse impacts on their socio-economic development.

22. The European Union was also firmly committed to the holistic implementation of the five priorities of the Almaty Programme of Action. The response to the transit problems of landlocked developing countries required a multidimensional approach that included the development of adequate national transport networks and efficient transit systems, the promotion of regional or subregional economic integration and the encouragement of FDI in economic activities that were

not distance-sensitive. Such development should be sustainable from an economic, social, financial and institutional point of view, as well as being environmentally sound and consistent with the Johannesburg Plan of Implementation, and should take gender and health issues into account.

23. Regional integration and cooperation, sustainable transit transport systems and trade should be at the core of actions to support the landlocked developing countries, as the provision of an efficient transport infrastructure was a key element for competitiveness, economic growth and social development. The European Union had issued a communication on promoting sustainable transport in developing countries.

24. Another major challenge for many landlocked developing countries was the creation of affordable, reliable and sustainable transit transport systems. The European Union was already a significant donor in that area, providing financial and technical assistance for the development of sustainable policies and strategies and transport infrastructure and services. Recently it had approved the European Union-Africa Partnership on Infrastructure with a view to supporting programmes for interconnectivity at the regional and continental level in Africa, thereby strengthening regional integration. It was important to consider regional integration and cooperation issues when addressing the problems of landlocked developing countries. In addition to continued support for institution-building and capacity-building, there was also a need for an enhanced and strengthened political dialogue at the regional level.

25. The European Union was the most important trading partner for the landlocked developing countries. Although trade could be a powerful engine for growth and development, the trading system alone could not solve the many development problems of those countries. The European Union was therefore working on issues related to Aid for Trade and in that framework on mechanisms for the beneficial integration of landlocked developing countries into the world trading system. It was also funding several projects for trade facilitation and customs modernization in landlocked developing countries. Trade-related assistance would continue to be an important part of development cooperation.

26. Fair competition between operators and transportation modes would improve the efficiency of services and cost effectiveness. A sectoral approach focusing on strategic networks and regional transport corridors, and increased financing of sector development programmes rather than of individual projects, were vital. It was important, however, for the landlocked and transit developing countries themselves to assume ownership of appropriately designed poverty reduction strategies and national policies that took account of trade and the modernization of their transport sector, in order to complement regional initiatives.

27. The European Union welcomed the progress achieved in implementing the Almaty Programme of Action and commended the efforts made to prepare for the midterm review of its implementation (A/62/226). Two thematic meetings had already been held that year: one in Burkina Faso in June 2007 on transport infrastructure development; and the other in Mongolia at the end of August on trade and trade facilitation.

28. *Mr. Saleh (Lebanon), Vice-Chairperson, took the Chair.*

29. **Ms. Jahan** (Bangladesh), speaking on behalf of the least developed countries, said that the international community should give urgent attention to the marginalization of those countries in the global development process. The Brussels Programme of Action set specific goals and targets, with action-oriented commitments in seven important areas, and outlined the complementary responsibilities of the least developed countries and their development partners. Fulfilling all the commitments could make a real difference in the lives of millions in those countries.

30. In 2006, the General Assembly had undertaken a midterm comprehensive review of the Brussels Programme of Action and the least developed countries had adopted the Cotonou Strategy for its further implementation, which identified obstacles, constraints and challenges. All Member States and especially the donor countries, United Nations organizations and other relevant entities should implement the recommendations in the Cotonou Strategy.

31. Most of the least developed countries had prepared their development strategies and adopted sound macroeconomic policies and relatively open trade regimes. They had also carried out reforms to promote good governance, democracy, human rights

and public management, to combat graft and to protect and empower the most vulnerable, namely women and children. Many had embarked on decentralization and the strengthening of local governance. Nevertheless, at the domestic level, low productivity, weak infrastructure, rapid population growth, unemployment, environmental degradation and climate change remained a huge challenge for most of them. Lack of security was also a serious concern in some countries.

32. The economic growth that had begun in the 1990s had brought some progress, particularly in terms of a few indicators in the areas of health and education. Despite strong pro-poor policies, however, the impact on poverty reduction had often remained insignificant. Unless the external environment was also changed, the efforts of the least developed countries, including those in the transition phase for graduation, would have no impact in terms of achieving internationally agreed development goals. She expressed appreciation to those development partners that had already fulfilled their commitments and called upon others to do so, especially in relation to the least developed countries.

33. Trade was critically important and preferential market access, special and differential treatment and trade capacity-building for the least developed countries had been the cornerstone of the Brussels Programme of Action. Although the share of the least developed countries in world merchandise trade had risen from 0.79 to 0.83 per cent in 2006, it was still far from regaining the 1960 level of 2.5 per cent. The current trading system was biased against least developed countries and harmful subsidies, tariff escalation schemes, non-tariff restrictions and artificial standards imposed by industrialized countries had to be reversed. The Doha negotiations were now moving forward and should be concluded as soon as possible. All products from the least developed countries should be granted duty-free and quota-free market access without any restrictions. All developed countries, and the developing countries in a position to do so, should grant such access on a mandatory basis, with simple and transparent rules of origin. The least developed countries were increasingly marginalized in South-South trade. Some developing countries had offered duty-free and quota-free market access and she invited others to follow their example.

34. She called on WTO members to ensure that any of the least developed countries seeking to become members of WTO could do so by fulfilling those commitments that were commensurate with their level of development, as provided for in the Brussels Programme of Action.

35. Almost 72 per cent of the population of the least developed countries lived in rural areas and depended on agriculture. The low level of agricultural productivity in those countries was further exacerbated by the adverse terms of trade and high subsidies in export markets. Cotton subsidies, for example, depressed the world price by an estimated 12 per cent. Full implementation of the commitment contained in the Hong Kong Ministerial Declaration to eliminate cotton subsidies was critically important.

36. Trade capacity-building was urgently needed. The Aid for Trade Initiative should assist the least developed countries to address their supply-side constraints and the erosion of preferences. She welcomed the donors' pledges made recently in Stockholm for the Enhanced Integrated Framework for trade-related technical assistance. The Framework should be provided with increased, predictable and additional resources on a multi-year basis.

37. The volume of ODA received by the least developed countries was much less than the commitments made and was currently around 0.08 per cent of donors' GNI, compared to 0.09 per cent in 1990. Furthermore, donors' assistance to the least developed countries remained highly concentrated and involved high transaction costs. The donor countries should fulfil their commitments to achieving the target of 0.2 per cent of GNI by 2010. The Third High-Level Forum on Aid Effectiveness to be held in September 2008 should address all those critical issues.

38. The multilateral negotiations in WTO provided a framework to address the temporary movement of labour under mode 4 of the General Agreement on Trade in Services. Little progress had been made so far, despite the critical need for full market access for all categories of service providers from the least developed countries.

39. The debt relief granted under the HIPC and MDRI initiatives had released some resources for poverty reduction and human development and it was important to extend those programmes to all the least developed countries. All their outstanding debt, both bilateral and multilateral, should be written off without further delay and the initiatives should be

complemented by grants and other unconditional assistance to endure debt sustainability.

40. The least developed countries and some other countries with vulnerable coastlines would be disproportionately affected by climate change. The post-Kyoto regime should be based on more realistic and legally binding emission reduction targets and specific commitments should be made to provide adequate resources for the adaptation needs of the least developed countries. Member States should also strive to ensure adequate protection of climate change refugees, who would become more numerous in the future.

41. Unfortunately, the special circumstances of the least developed countries were not adequately covered in the Secretary-General's reports. In the future, the Secretary-General might wish to include a section with data and information on the least developed countries in all reports on economic and social issues, as a means of analysing the progress made in those countries on a sectoral basis.

42. The annual review of the implementation of commitments made to implement the Brussels Programme of Action was undertaken by the Economic and Social Council during its substantive session. The international community had agreed to facilitate the participation of the least developed countries in an appropriate multilateral forum. A trust fund had been created for that purpose in the Office of the High Representative, but in recent years had failed to generate the necessary resources. The Secretary-General should take appropriate measures to allocate regular budget resources to cover the participation of two representatives from each least developed country in the annual review of implementation of the Brussels Programme of Action.

43. The supportive role of the Office of the High Representative in promoting the causes of the least developed countries was indispensable. She welcomed the appointment of Mr. Diarra as the new High Representative, but was deeply concerned that he was also to be given additional responsibilities that could seriously undermine his original mandate as provided for in General Assembly resolution 56/227. They could also erode the particular focus on the least developed countries which was the key objective of the Office.

44. Full implementation of the advocacy strategy on the effective and timely implementation of the Brussels Programme of Action would yield good results and all the necessary resources should be provided. The Fourth United Nations Conference on the Least Developed Countries was to be held before the end of the decade in order to make a comprehensive appraisal of the implementation of the Brussels Programme of Action and to decide on subsequent action. She called on the international community to begin the preparations for that Conference and invited offers from countries interested in hosting the event.

45. **Mr. Maema** (Lesotho), speaking on behalf of member States of the Southern African Development Community (SADC), said that the Community had formulated a regional strategic development plan in 2001 to provide a clear direction for its long-term policies and programmes. The plan was intended to advance regional integration and the achievement of internationally agreed development goals, including the Millennium Development Goals, and sustainable development.

46. The Brussels Programme of Action remained an essential framework for a global partnership between the least developed countries and their development partners. It provided goals and targets, with action-oriented commitments to support the development of the least developed countries. It was a very important agreement, not only for the development efforts of the least developed countries, but also for their partners' ODA strategies and plans.

47. The least developed countries acknowledged that they bore primary responsibility for their social and economic development and for years had pursued policies that promoted economic growth and sustainable development. Several of the least developed countries had recently graduated into the middle-income category, a clear testimony to their commitment to fighting poverty and underdevelopment. The report of the Secretary-General (A/62/322) showed that the least developed countries had achieved economic growth averaging 6.5 per cent per annum between 2001 and 2005. Regrettably, that growth had not led to significant poverty reduction in many countries and most of the least developed countries in the SADC region had not achieved the Brussels Programme of Action target of 7 per cent annual economic growth. Debt-servicing was still a problem for many SADC least developed countries. In view of current trends, many of those countries were unlikely to achieve the goals and objectives set out in

the Brussels Programme of Action and other internationally agreed development goals, including the Millennium Development Goals. In view of the continuing lack of adequate financial resources available to the least developed countries, increased ODA remained essential. SADC called for more concerted efforts to scale up ODA and to improve aid effectiveness in accordance with the Paris Declaration on that subject.

48. The United Nations system and other development partners should focus on enhancing the productive capacity of the least developed countries. Agricultural development would go a long way in alleviating poverty and hunger. Priority in development assistance should also be given to technology transfer and the development of physical infrastructure, in order to improve the productivity and competitiveness of the least developed countries.

49. SADC countries continued to be handicapped by poor infrastructure, low levels of technology including information technology, commodity dependency, food shortages, effects of climate change, natural disasters and widespread HIV/AIDS, tuberculosis, malaria and other communicable diseases. Those challenges were not insurmountable, but partnership from the international community was needed to tackle them effectively. The international community, and particularly the developed partners, should fulfil their commitments regarding ODA and debt relief measures. Until development partners recognized the critical importance of honouring their commitments, there was the risk of failure to achieve development goals, including the Millennium Development Goals. Predictable aid flows, technology transfer, provision of technical and financial assistance, human and institutional capacity-building, improved market access and increased FDI were therefore essential.

50. The main objective of the Almaty Programme of Action was to address the special needs of landlocked developing countries and establish a new global framework for developing efficient transit transport systems in those countries and their transit neighbours. The overarching goal was to forge partnerships to overcome the special problems of landlocked developing countries. Inadequate infrastructure was a major obstacle to establishing the efficient transit transport systems that would enable landlocked and transit developing countries to achieve effective integration into the international trading system. Other important factors were efficient transport and communications infrastructure and trade facilitation, as their goods had to move across additional borders. The review of the Almaty Programme of Action to be conducted at the General Assembly's sixty-third session should identify constraints and challenges and devise concrete strategies to expedite and enhance implementation. He stressed the importance of adequate preparation to ensure the success of the review meeting and commended all who had contributed to the success of the two regional preparatory meetings held in Burkina Faso in June 2007 and Mongolia in August 2007.

51. SADC continued to tackle transit transport challenges through an accelerated programme of spatial development initiatives, also known as development corridors. Key infrastructure was identified for immediate development, followed by the mobilization of private investment along the corridors to ensure sustainable development activities. In addition, a programme to harmonize and streamline customs procedures and instruments as part of trade facilitation efforts was under implementation. He called on the international community to support SADC in those efforts.

52. **Mr. Exantus** (Haiti), speaking on behalf of the Caribbean Community (CARICOM), said that the problems faced by the least developed countries required the international community at large to come to the aid of their leaders in designing and implementing measures to relieve the tragic conditions in which more than 800 million individuals were living.

53. While most members of CARICOM were middle-income countries, one of them did belong to the category of the least developed countries. The CARICOM countries considered it a duty to extend their sustainable development efforts in order to assist Haiti, which was even more seriously affected than the rest of the members by the economic and climatic vulnerabilities facing them all.

54. While the midterm review of the Brussels Programme of Action (A/61/173) did note some progress by the least developed countries, their socio-economic situation remained generally precarious. Three years before the end of the Brussels Programme of Action, the chances of most of those countries reaching the objectives of the Programme, to

say nothing of the Millennium Development Goals, remained slim. Living conditions in the least developed countries were not improving and in some cases were worsening, despite the efforts of their leaders and those of the development partners, because too little attention had been paid to the deadlines for the objectives contained in the Programme of Action. It was still possible to achieve the objectives by 2010, but only if the development partners resolved to accept the challenge of a heightened solidarity by adopting innovative measures.

55. The Cotonou Strategy was not intended to supplant the Brussels Programme of Action: its purpose was to recommend corrective and reinforcing measures to be taken before 2010. If the goals were to be met, all development partners should re-examine all the types of assistance, including official development assistance, foreign direct investment, technical cooperation, trade, debt relief and so on.

56. The ongoing decline in official development assistance since the launching of the Highly Indebted Poor Countries initiative illustrated the failure of the criterion of additionality: what was given by one hand was taken back by the other. CARICOM appealed urgently to the development partners that had not yet done so to honour as soon as possible their commitment to provide official development assistance to the least developed countries equivalent to 0.15 to 0.20 per cent of their GNP.

57. Trade was a powerful engine of economic growth and development, but the current world trade system kept the least developed countries on the fringes of globalization, excluded from taking advantage of it. Emphasis must be maintained on the development aspect of the Doha Round. Rapid conclusion of those negotiations was imperative if the least developed countries were finally to enjoy duty-free and quota-free access to world markets for their products. Subsidies and all other artificial barriers to trade should be eliminated.

58. Development partners must respond to the trade-related needs of the least developed countries by a significant increase in the contributions to the Trust Fund of the Integrated Framework for Trade-Related Technical Assistance, as well as by operationalization of the Aid for Trade initiative. With reference to the Highly Indebted Poor Countries initiative and the Multilateral Debt Relief Initiative, CARICOM stressed that additionality was supposed to be a key element of those initiatives and also called for total forgiveness of all the debt of the least developed countries.

59. **Ms. Diallo** (Mali), speaking on behalf of the group of landlocked developing countries, said that, if those countries were to achieve the Millennium Development Goals, it was essential that they enjoy the advantages offered by globalization. To that end, their products needed to reach world markets with a degree of competitiveness comparable to those of the other developing countries. Accordingly, the Almaty Programme of Action had clearly defined the actions to be undertaken in five priority areas: fundamental transit policy issues, infrastructure development and maintenance, international trade and trade facilitation, international support measures, and implementation and review.

60. Primary responsibility for the implementation of the Programme of Action lay with States. The Second Committee should therefore adopt a draft resolution setting forth the details of the organization of the midterm review, which must include the effective participation of all stakeholders. She appealed to donor countries to make voluntary contributions for the organization of the midterm review.

61. Within the framework of that review, two thematic ministerial meetings had been organized, one on transit transport infrastructure development, held in Ouagadougou, and one on trade and trade facilitation held in Ulan Bator. Both meetings had highlighted the major challenges still confronting the landlocked developing countries, despite regional efforts to establish free trade zones and trade corridors. The final document of the Ouagadougou meeting had emphasized that transport infrastructures were seriously underdeveloped, unsuitable and outdated, and that the costs of bringing products to the coast remained very high, sometimes as much as 40 per cent of the cost price. Likewise, the meeting in Ulan Bator had highlighted the small share of the landlocked developing countries in world trade, largely because of longer transit times for goods and higher costs.

62. For those reasons, the landlocked developing countries called urgently for the conscientious implementation of the provisions of the Almaty Programme of Action with regard to trade and trade facilitation. In that connection they hoped fervently for a rapid conclusion to the Doha Round, taking into

account their specific needs, as enumerated in the Asunción Platform and approved by the WTO Ministerial Conference in Hong Kong. Unfortunately, many landlocked developing countries were not yet members of WTO and she called for support for their membership applications.

63. Other challenges not reviewed in Almaty, in particular the effects of climate change and soaring prices of oil products, weighed heavily on the economy of the landlocked developing countries. In addition, as a result of the destruction of transport and transit infrastructures by torrential rains and floods, some States were often cut off from the rest of the world for long periods, causing immense losses in export incomes. She therefore hoped that donor countries would keep their promises of massive, immediate and predictable funding made at the 2005 World Summit.

64. As the Office of the High Representative played an essential role in mobilizing and coordinating the implementation of the Almaty Programme of Action, the Group urged the Secretary-General to provide the Office as quickly as possible with the resources it needed in order to meet fully the responsibilities assigned to it.

65. **Ms. Zvereva** (Russian Federation) said that the international community should not ignore the problems of countries in special situations: the least developed countries and countries with small and vulnerable economies, including those that were landlocked. Progress in those countries would be a deciding factor for achieving internationally agreed development goals, including the Millennium Development Goals.

66. The outcome of the high-level meeting on the midterm comprehensive global review of implementation of the Brussels Programme of Action had been positive. Her country supported the Declaration of that meeting adopted by the Assembly in resolution 61/1, which took full account of the concerns of the international community in relation to the problems of the least developed countries and reflected the commitment of Member States to cooperate in implementing the Brussels Programme of Action. It also gave an objective assessment of the achievements and problems encountered in the course of implementation.

67. The Russian Federation was taking specific measures to support the development of the least developed countries, including reduction of import duties and a special preferential regime for their imports. There were no import customs duties or limitations on the quantity of imports, nor were any anti-dumping, countervailing or protectionist measures applied.

68. Her country was actively working on multilateral measures to reduce the debt burden and provide development aid for the least developed countries in the context of the Paris Club and other international organizations. The Russian Federation had always supported the HIPC Initiative, under which it had written off debt from African countries amounting to 11.3 billion dollars. It also welcomed the establishment by other countries of a special trade regime for the least developed countries in response to the appeal made at the Millennium Summit.

69. The Russian delegation valued the support of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States for consideration of the issues affecting those countries throughout the United Nations system. The implementation of the Almaty Programme of Action should involve intergovernmental mechanisms such as the UNCTAD Trade and Development Board, and its Sessional Committee on Least Developed Countries.

70. The Russian Federation was making its contribution to implementing the Almaty Programme of Action. It had reached agreement with Mongolia and China on a tripartite framework agreement on transit transport, which would form the basis for a strong subregional regulatory system. The development of regional economic integration would have a positive impact on the introduction of effective transit arrangements and agreements on subregional and bilateral cooperation on transit transport would play an important role.

71. **Ms. Houngbedji** (Benin) said that Benin had been trying since 2001, by its economic, social and governance efforts, to honour the commitments undertaken at the Third United Nations Conference on the Least Developed Countries. The Government's objective was to achieve improved economic performance and accelerated growth, to create an investment-friendly environment, to adapt its financial system to the needs of the economic actors and to improve management of public finances and human

resources: all steps that would permit Benin to create favourable conditions for achievement of the objectives of the Brussels Programme of Action.

72. In Benin, agriculture was the sector that could make the greatest contribution to poverty reduction through job creation but it was also the sector with the lowest paying jobs. To correct that situation, the Government was setting up a programme of agricultural modernization in order to improve returns and productivity, through enhanced agricultural research and technical facilities. The objective was to create conditions favourable to the export of agricultural products and to establish incentives for investment in the agricultural sector, notably in order to develop processing capacity. Thus, the reforms that could lead to development were in place in Benin; it needed to be supported in its efforts by the international community, which should work in particular on the elimination of trade barriers.

73. In West and Central Africa, some 20 million people, mostly small-scale subsistence farmers, lived off cotton growing. Studies showed that sub-Saharan cotton producers had lost $450 million since 2004, becoming poorer despite having increased production. Yet elimination of American subsidies to the cotton industry would result in an increase of 6 to 14 per cent in the price of cotton, translating into an increase of 2.3 to 5.7 per cent in households' purchasing power in the African cotton-producing countries. Since 2003, Benin had unceasingly been seeking appropriate measures to correct that injustice. Despite its submission, together with Burkina Faso, Chad and Mali, of the sectoral initiative in favour of cotton, there was a situation of total blockage, in which the issue of reductions in domestic subsidies was linked to the success of the entire Doha Round. In those conditions, there was scant hope that the least developed countries could benefit from globalization and achieve the objectives defined by the Brussels Programme of Action.

74. Calls for good governance at the national level were certainly praiseworthy, but there was a parallel need for democracy in the international institutions. For example, the World Bank and the International Monetary Fund should formally recognize the criteria designating the least developed countries and grant them additional resources in line with their needs.

75. The Office of the High Representative should ensure the effective mobilization of the United Nations bodies for the implementation of the Brussels Programme of Action. It should also reinforce its efforts to facilitate the effective participation of the least developed countries in the appropriate multilateral bodies and in particular in the annual review of the implementation of the Brussels Programme of Action in the Economic and Social Council.

76. **Mr. Ngor** (Sudan) said that the Cotonou Strategy was a useful tool for helping to assess what had been achieved and what yet remained to be done, by both sides of the partnership, in order to fulfil the seven commitments in the Brussels Programme of Action.

77. Most least developed countries had demonstrated a sincere willingness, by putting in place national development strategies, improving governance and so on, but those undertakings had not been sufficient to bring about the socio-economic structural transformation that was required in order substantially to reduce poverty levels. Positive development had often been thwarted by structural impediments beyond the countries' control, such as lack of resources and financial flows, the adverse impact of climate change, or unfair international terms of trade.

78. In its 2007 Least Developed Countries Report, UNCTAD had stated that the recent growth spurt which some least developed countries had experienced was very fragile, as it depended on high commodity prices and could easily be followed by a collapse. Globalization had yet to become a fair, equitable and inclusive force. Rather, it had caused disparities between and within countries, some of which had been left on the sidelines of the globalization process.

79. It was a matter for concern that, despite recent pledges, donors were failing to meet the target of official development assistance equivalent to 0.20 per cent of GNI. Although debt relief had been extended to several least developed countries, many with significant debt burdens remained outside the Highly Indebted Poor Countries and Multilateral Debt Relief initiatives, and in many cases the conditionalities attached to those initiatives were difficult to meet. Flexibility must be granted to the least developed countries in that regard.

80. Infrastructure inadequacy had plagued the least developed countries for a long time, and removal of

that obstacle, which constituted one of the seven commitments of the Brussels Programme of Action, should be one area on which the development partners should focus. A related crucial area was trade. Concluding the Doha Round was imperative if the least developed countries were to benefit from its development dimension. The Sudan had shown strong political commitment to the Brussels Programme of Action, demonstrated by the establishment of a High-Level Commission, which had undertaken studies of the seven commitments of the Brussels Programme of Action and had issued periodic reports on progress.

81. In May 2007, the Sudan had updated its country report, indicating the progress made in the areas of people-centred approach to development, governance institutions, trade-related activities and institutional development, but a recurrent obstacle had been the lack of resources to fund the different activities, especially given the country's huge reconstruction burden. The Sudan had been actively engaged in improving the socio-economic condition of the population to help sustain peace. Consequently, wealth-sharing arrangements were essential components of the Comprehensive Peace Agreement, the Darfur Peace Agreement and the East Sudan Peace Agreement. However the country's huge external debt, exceeding $27 billion, remained one of the major impediments to its development efforts. It therefore called for the cancellation of its external debt, which would release the necessary funds to allow it to fund its reconstruction efforts. It also called on donors to fulfil their pledges made at the Oslo Donors' Conference of 2005.

82. **Mr. Ishize** (Japan) noted that least developed countries were being held back by limited productive capacity. In Africa, home to 34 of the world's 50 least developed countries, Japan had been working with the secretariat of the New Partnership for Africa's Development (NEPAD) to support infrastructure development in least developed countries in accordance with the principle of national ownership and leadership. Japan continued to provide Aid for Trade, through its Development Initiative for Trade, to help the least developed countries boost exports and improve competitiveness. Its support also took the form of technology transfer through South-South cooperation and other technical cooperation projects aimed at diversifying exports. In April 2007, Japan had significantly enhanced duty-free and quota-free market access to the least developed countries, going beyond the target stated in the Hong Kong WTO Ministerial Declaration. Japan was also steadily moving towards its goal of doubling official development assistance to Africa by the end of 2007, and remained committed to implementing the Highly Indebted Poor Countries Initiative.

83. The development of least developed countries could not be discussed without mentioning peacebuilding. Most least developed countries had experienced violent conflict in the past 15 years. The need for a coordinated approach to breaking the vicious circle of poverty and conflict had led to the creation of the Peacebuilding Commission. Japan, which was chairing the Commission, would work in close cooperation with all stakeholders to promote integrated peacebuilding strategies that addressed the needs of post-conflict countries and laid the foundations for sustainable development.

84. Japan reaffirmed the importance of implementing the Almaty Programme of Action. The international community needed to reinforce its support for landlocked developing countries, as it had agreed to do at the thematic meetings held in Burkina Faso and Mongolia earlier in the year. The Government of Japan, for its part, had been providing a wide range of support for infrastructure development and capacity-building.

85. *Ms. Lintonen (Finland) resumed the Chair.*

86. **Mr. Sea** (Cambodia) observed that the least developed countries, despite general progress, were having difficulty meeting the Millennium Development Goals. More financial aid, reduced debt service and increased current account inflows were essential if their growth was to be achieved. The developed countries must fulfil their commitment to allocate 0.2 per cent of their GDP in ODA, which could be enhanced by genuine partnership between donors and recipients. In particular, aid for trade initiatives should be increased at the earliest opportunity.

87. Since 2000, his country had achieved peace and political stability through various reforms and development strategies which had provided impetus for rapid economic development, and had attained an annual average growth rate of 11.4 per cent during the period 2004-2006. On the basis of that performance, it had been invited to make a presentation on national implementation of the Millennium Development Goals at a recent meeting of the Economic and Social

Council. Cambodia could achieve the Goals provided that its development partners and the global community took bold initiatives to support its national strategies and create win-win partnerships. In view of the least developed countries' need to capitalize on market access opportunities, his delegation trusted that the current Doha Round would produce a package providing duty-free and quota-free access for all products from those countries.

88. **Ms. Juul** (Norway) said that although the latest figures had shown that a slight decline in extreme poverty in the previous five years, there had also been a small increase in sub-Saharan Africa, demonstrating the need for additional efforts if the least developed countries, especially in Africa, were to achieve the Millennium Development Goals. Sound national policies and good governance were of the essence, as were better anti-corruption policies. It was encouraging that more were pledging adherence to the principles of the Extractive Industries Transparency Initiative and the Kimberley Process, but greater progress was needed for broader elimination of corruption and economic fraud.

89. She welcomed the rise in investment rates in many least developed countries. However, while there was strong optimism in the private sector and among officials in countries such as the United Republic of Tanzania and Ethiopia, investment rates remained low and the business climate unfavourable in many of them. Despite progress in many areas, general accountability and Government effectiveness had weakened and infrastructure development had been slow, seriously hampering private sector development.

90. Her country was ready to put its expertise at the disposal of the least developed countries to reduce the obstacles, create a climate for growth and build on human and institutional capacities. She commended the more widespread adherence to the developed countries' commitment to devote 0.7 per cent of GDP to ODA. However, more donors must join in to make the scaling-up initiative a success. Norway's 2008 development budget earmarked 0.98 per cent of GDP and aimed to allocate at least 1 per cent eventually. It strongly supported targeted debt relief, the HIPC Initiative, the Multilateral Debt Relief Initiative and measures to ensure that additional relief complemented, rather than replaced, development assistance.

91. Developing countries needed more investment and trade for underpinning social development, but unfortunately their share of global FDI had fallen. While the least developed countries in Africa had fared better than the developing countries owing to a surge in natural resources exploration, more needed to be done to encourage investment in their other sectors. Least developed countries needed improved market access and further integration into the international trading system. In that connection, her delegation urged other developed countries to emulate Norway by granting all least developed countries' exports duty-free and quota-free access, although advanced developing countries also had a part to play.

92. Also crucial was aid for trade, to which end her country was formalizing a plan of action focusing on Africa and least developed countries, which concentrated on good governance and the fight against corruption; women and trade; and regional trade. It would be a major supporter of the newly enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries, which would become a pillar of the Government's plan of action. It was willing to make the Doha Round a "round for free" for the poorest countries and, since the link between trade and development was not automatic, developing countries must receive assistance in order to overcome supply-side constraints on their participation in international markets. What was needed for success was the will of recipients and development partners alike to translate plans into promises.

93. **Mr. Krishnaswamy** (India) said that the implementation of the Almaty Programme of Action required cooperation among landlocked developing countries, transit developing countries and their developed country partners. The two thematic preparatory meetings for the midterm review had underlined the importance of further financial resources and technical support for capacity-building in physical infrastructure. Transit developing countries faced many challenges in providing transit transport facilities to landlocked countries, and India had signed special bilateral cooperation agreements with its two landlocked neighbours for easy transport of their goods through the country and had given economic and technical support, as well as promoting regional transport and trade connectivity.

94. Regarding the Brussels Programme of Action, he urged a shift from the offer of palliatives to a direct

attack on the root causes of underdevelopment and to the provision of additional financing, improved market access, affordable technology transfer and the building of institutions and capacity. He welcomed the fact that some least developed countries had graduated, or were graduating, from that category, but urged the international community to help them in the post-graduation process so that they could sustain their achievements. In that connection, he also supported the appeal for a reconsideration of the graduation criteria.

95. Disappointingly, many developed countries had been tardy in the fulfilment of their ODA commitments and there had sometimes even been a drop in such assistance; he therefore advocated prompted fulfilment of those commitments. With reference to trade, developed countries must improve market access for the least developed countries. His delegation attached importance to the ongoing Doha Round and the negotiations for the Global System of Trade Preferences, in which context imports from least developed countries to India would enjoy a zero tariff regime by the end of 2007.

96. Greater collective efforts were needed, including through an international debt commission overseen by the United Nations, to address the least developed countries' debt problem. His country had written off the debt of seven highly indebted poor countries and, in the context of South-South cooperation, placed special emphasis on assistance to least developed countries in general and those in its extended neighbourhood in particular.

97. **Mr. Aspelund** (Iceland) said that his country set great store by its ODA commitment to the least developed countries, many of which still fell short of the target of 0.7 per cent annual growth and faced the serious problem of extreme poverty, which required a substantial international effort. In that context, he welcomed the new advocacy strategy described in the report of the Secretary-General (A/62/322), which would raise awareness of the objectives of the Brussels Programme of Action and facilitate its timely implementation. Iceland was providing financial support to the HIPC Initiative, as well as supporting the Multilateral Debt Relief Initiative. The bulk of its ODA was devoted to least developed countries, while the core of its multilateral development activities had been support for the Icelandic International Development Agency.

98. Iceland had increased its support for the World Food Programme and its fish was a primary source of protein for many in the least developed countries. Its bilateral fisheries projects also improved food security and reduced malnutrition. Education at all levels was a core aspect of the Government's development cooperation and his country was host to the United Nations University Geothermal and Fisheries Training Programmes. Because of the link between poverty and illiteracy, basic training and education and adult literacy programmes accounted for a significant share of its development cooperation. Three of the eight Millennium Development Goals focused on health and in that connection his country provided assistance to the health sector in Malawi and Mozambique. It was also involved in gender-specific projects in least developed countries through bilateral programmes and support for UNFPA and UNIFEM, while it addressed energy for development at the multilateral level.

99. His country was committed to implementing the Almaty Programme of Action and welcomed the work being done on adequate preparation of its 2008 midterm review. Aid for Trade was an important initiative that could reduce the adverse effects of the geography of landlocked countries and should be integrated into a broader development policy. At the same time, the breakdown of the Doha Round could have serious consequences. The poorest in the developing countries were the hardest hit by and least responsible for climate change, a major concern that required attention to the special needs of the most vulnerable.

100. **Mr. Penjo** (Bhutan) said that the item was of particular importance to Bhutan, itself a landlocked country. At the midpoint to the deadline for attainment of the Millennium Development Goals, the picture was mixed at best, while the midterm review of the Brussels Programme of Action had found that many least developed countries were unlikely to achieve its objectives and, consequently, the Millennium Development Goals. He urged political leaders and stakeholders fully to meet their international commitments, including those undertaken in the context of the Millennium Declaration, the Monterrey Consensus and the 2005 World Summit Outcome. Implementation of the Almaty Programme of Action required the active cooperation of landlocked countries, transit developing countries and the developed countries. Adequate resources from the

regular budget as well as extrabudgetary sources must be mobilized to ensure the success of its midterm review.

101. Although Bhutan, with the support of its development partners, especially neighbouring India, had made enormous socio-economic progress since the early 1960s, its efforts required the support of the international community, especially as it embarked on the transition to democracy. The first parliamentary elections would be held early in 2008, at which time it would adopt a new democratic constitution. But for democracy to take root there must be progress in the socio-economic field. In conclusion, he thanked the bilateral and multilateral donors for their steadfast support.

102. **Mr. Naeemi** (Afghanistan) said that landlocked developing countries' lack of territorial access to the sea, their remoteness from world markets and their dependence on neighbouring countries' transit services, not to mention protracted customs and administrative delays and cumbersome procedures, added to their high trade transaction costs and significantly hampered their competitiveness. Their priorities, therefore, were efficient transit transport systems, infrastructure development, maintenance of international trade, and trade facilitation. Implementation of the Almaty Programme of Action had been slow, but its midterm review would afford landlocked and transit developing countries the opportunity fully to assess progress and the reasons for the tardiness.

103. In addition to the well-known difficulties facing all landlocked developing countries, Afghanistan, as a post-conflict country, also needed to overcome special infrastructure problems, given the devastation of its human resources, nascent national institutions and physical infrastructure during three decades of violence, which had also left millions of landmines and unexploded ordnance behind, further increasing the costs of socio-economic development and reconstruction.

104. Special assistance was also needed for countries emerging from conflict to develop their trade capacity. Road building was a top priority for his country, which in partnership with the international community had almost completed a road network connecting Kabul to major Afghan provinces and neighbouring countries. Once fully operational it could provide landlocked Central Asian countries with access to seaports in Pakistan and Iran within 32 hours. With relative peace and stability, his country was regaining its status as a land bridge between Asia and the Middle East.

105. All investment-related legislation, regulations and procedures were being simplified and harmonized for the achievement of the Millennium Development Goals. However, his country needed additional resources and the cooperation of its neighbours in order to surmount the unique challenges and provide economic opportunities for the inhabitants. In that connection, the role of the private sector was pivotal. Afghanistan was strengthening private and public partnerships in order to facilitate and monitor transit and transport and to improve facilities and strengthen the implementation of the Almaty Programme of Action. In addition to its bilateral agreements with a number of neighbours and other Central Asian countries, his country had convened the Conference on Regional Economic Cooperation in Kabul in 2005 and had very recently hosted the meeting of the Economic Cooperation Organization (ECO) Council of Ministers.

106. Afghanistan was in the process of acceding to WTO and was a member of the South Asian Association for Regional Cooperation and the Central Asia Regional Cooperation and ECO. Implementation of the Millennium Development Goals and the Almaty Programme of Action required sustainable assistance from developed countries. In pursuit of the Millennium Development Goals, his country had launched the Afghanistan Compact and incorporated the goals set forth in the Almaty Plan of Action into the Afghanistan National Development Strategy.

107. Afghanistan held great promise for the peace, security, and prosperity of the region and had made great strides over the previous five years in rebuilding its infrastructure and creating national institutions. The authorities were determined to make the country a model of cooperation both in the fight against terror and in efforts to implement the Almaty Programme of Action.

The meeting rose at 6.10 p.m.